

MONTANA'S TOURISM FUNDING

In 1987, Montana's legislature recognized the vast importance of tourism to Montana's future economy. During that session, the legislature created a 4% Lodging Facility Use Tax, commonly referred to today as the "bed tax." Lodging facilities (such as hotels, motels, bed & breakfast inns, guest ranches, resorts and campgrounds) collect this tax from guests. In turn, these funds are directed to the various entities shown below. Importantly, no additional money for tourism funding comes from Montana's general fund. In 2003, an additional 3% Lodging Facilities Sales Tax was added to the existing 4% and is deposited directly into the state general fund. In FY11, the general fund received \$14,240,586 through this additional 3% sales tax.

Total Projected 7% Lodging Tax Revenue FY12	\$34,744,400*
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Disbursements of Revenue

3% Lodging Facility Sales Tax Revenue* <i>(100% TO GENERAL FUND)</i>	\$14,890,457
4% Lodging Facilities Use Tax Revenue	\$19,853,943
Montana Heritage Commission <i>(Virginia City/Nevada City)</i>	(\$400,000)
Department of Revenue <i>(Collection costs & reimbursement to general fund of tax paid by state employees)</i>	(\$456,641)
Available for Distribution <i>(According to percentages established in statute)</i>	\$18,997,302

State Parks - 6.5% <i>(Operations & Maintenance)</i>	\$1,234,825
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University System - 2.5% <i>(Tourism & Recreation Research)</i>	\$474,933
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Historical Society - 1% <i>(Historical Sites & Signage)</i>	\$189,973
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Historical Interpretation – 2.6%	\$493,930
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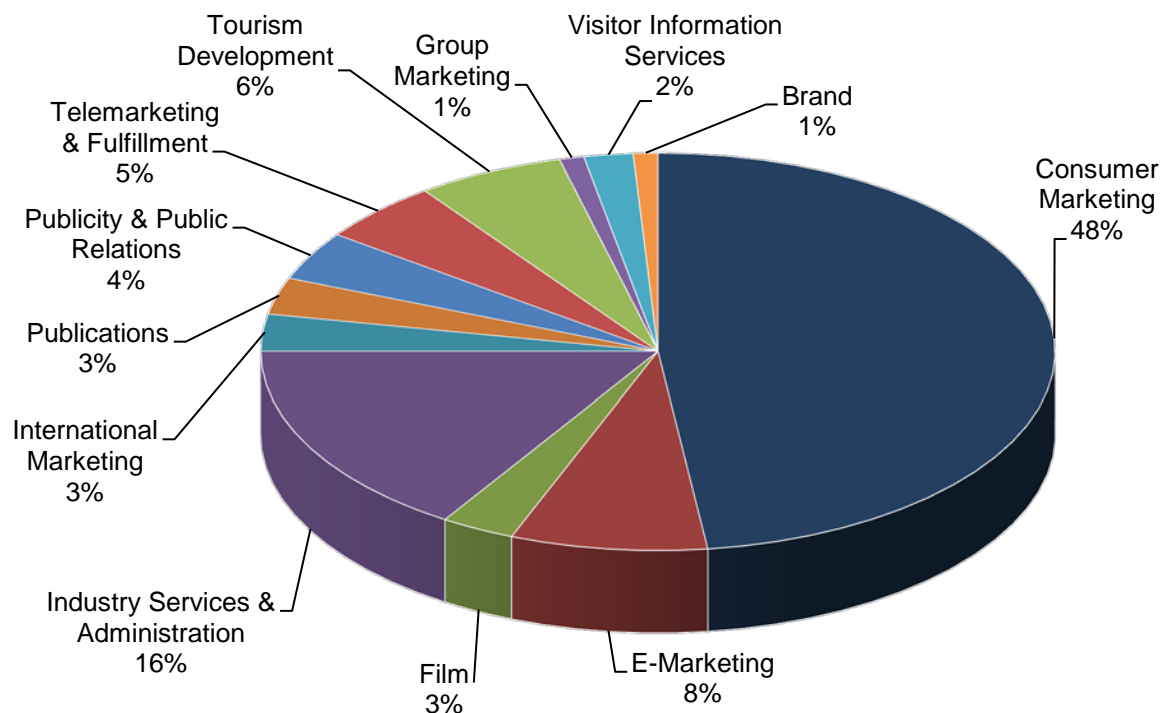
Regions/CVBs Marketing – 22.5%	\$4,274,393
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Department of Commerce Programs – 64.9% Montana Promotion Division (Montana Office of Tourism/Film Office)	\$12,329,248
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Department of Commerce—Montana Promotion Division FY12

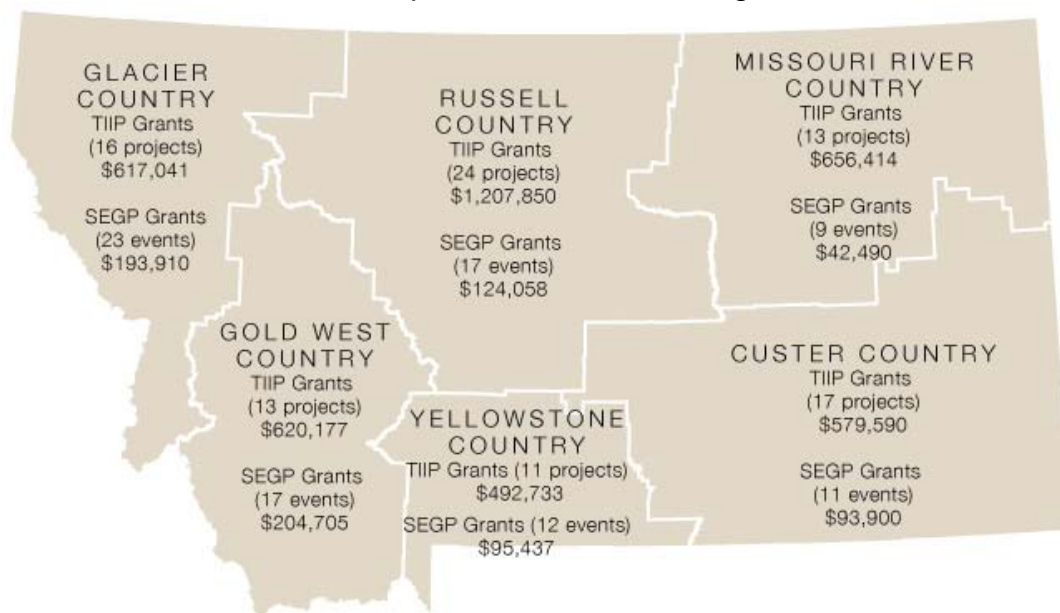
Funds from Accommodations Tax	\$12,329,248
Income from Ad Sales, Co-ops, etc. & HB2	\$750,000
Projected Funds Available	\$13,079,249

Distribution of Montana Promotion Division Funds FY12



Montana Promotion Division—Tourism Development Grant Awards

TIIP: Tourism Infrastructure Improvement Program
SEGP: Special Event Grant Program



Statewide Tourism "Bed Tax" Grants
TIIP (1995-2011)—\$4.174 million
SEGP (2003-2012)—\$754,500

The \$4.174 million in TIIP funds (1995-2011) helped create \$45 million in tourism facility improvements, an 11 to 1 match.

(Updated January 2012)